Life Portfolio Financial Literacy 2017

# Objectives:

* Compare automobile and home options
* Describe the costs of owning a car and a house
* Describe the real cost of debt
* Plan for the right insurance coverage
* Develop and Analyze a personal budget

# Directions:

Complete each section below for the Life Portfolio. The expectations of each section are provided. Once completed, print out the section and put in your Life Portfolio binder.

# Cover Page:

Your first task is to create a cover page that will include the following:

* The title, “*LIFE PORTFOLIO*”
* Your name
* The course name, “*Dollars & Sense*”
* Your class hour
* (2) Pictures that represent you. Make sure that they are placed in good locations on the cover page and that the pictures are appropriate.

# School

* 1 paragraph identifying the college that you would like to attend. Include the following information:
  + Name of the college
  + Mascot of the college (include a picture)
  + Why you chose the college
  + Major that you will be seeking a degree in
  + Type of degree (most likely will be a bachelor’s of \_\_\_\_\_\_\_\_)
  + Cost per year (this can include tuition, books, room, and board). Make sure that you determine whether or not you have pay out-of-state tuition for the college chosen.
  + Include the logo of the college

**-OR-**

* If you are not planning to attend college, explain the training that you will need to enter your career. Include the following information:
  + Do you need to complete an apprenticeship? If so, explain the details.
  + The type of training that you will need to advance in your career.

Resources: <http://www.collegecalc.org/colleges/> [www.google.com/images](http://www.google.com/images)

# Career

* 1 paragraph describing your job.
* 1 paragraph describing your salary per year and benefits (health insurance, retirement, time-off, etc.)
* Include a picture of your job (this could be of a person performing the job)
* Include the logos of **2** companies that you might want to work for

Resources: [www.Salary.com](http://www.Salary.com) [www.google.com/images](http://www.google.com/images)

# Financial Institution and Accounts

* 1 paragraph identifying the bank or credit union that you would like to open your accounts with. Describe why you chose that financial institution.
* Include the logo of the bank or credit union
* 1 paragraph identifying and describing the accounts that you will open. You will most likely need to open a savings and checking account. Include in your paragraph the following information:
  + Name of accounts
  + Interest rate (APY) of each account (print off the financial institutions rate sheet)
  + Any monthly fee for having the account
  + Extras that you will get with the account and their costs (Direct Deposit from your work, Debit Card, Checks, etc.)
  + What you will use each account for

Resources: [www.google.com/images](http://www.google.com/images) [www.uwcu.org](http://www.uwcu.org) [www.summitcreditunion.com](http://www.summitcreditunion.com) [www.harrisbank.com](http://www.harrisbank.com) [www.usbank.com](http://www.usbank.com) [www.deforestbank.com](http://www.deforestbank.com)[www.settlerswi.com](http://www.settlerswi.com) [www.bankofamerica.com](http://www.bankofamerica.com) [www.wellsfargo.com](http://www.wellsfargo.com)

# Vehicle

* Compare and contrast 3 types of vehicles; Truck, SUV, Sedan or Compact Car
  + Include the following details about each vehicle:
    - Make, model, and year
    - Miles per gallon
    - Special features of the vehicle
    - Purchase price (can use MSRP)
    - Cost of maintenance and repairs
    - Picture of the vehicle
* 1 paragraph identifying which vehicle you would purchase and explain why. Also include if you decided to purchase a new or used car and why.
* What will be your loan payment? (your loan cannot be longer than 72 months) Include a complete payment schedule (shows each payment and the amount from each that goes toward interest and principal). Use the auto loan calculator that is found at: <http://www.uwcu.org/Calculators/Calculators/AutoLoan.aspx?ad=auto>
  + Click on the report to view your payment schedule.
* 1 paragraph identifying the type of insurance that you will need on your vehicle. Include:
  + use <http://welcome.libertymutual.com/insurance-coverage-calculator-estimator/auto.html> to determine amount of insurance
  + <http://www.statefarm.com/insurance/auto_insurance/ins_auto_type.asp> to define the types of insurance
  + The potential cost of the insurance (use <http://money.msn.com/auto-insurance/auto-insurance-quotes.aspx> to estimate your cost)
  + The company that you may want to purchase your insurance from. Include a picture of their logo.

Resources: <http://www.edmunds.com/car-comparisons/> [www.edmunds.com/TCO.html](http://www.edmunds.com/TCO.html)

# House

* 1 paragraph identifying the location of where you would like to live. Include the following information:
  + Will you live in a rural, suburban, or urban area?
  + Type of house; Ranch, 2-Story, or Tri-level
  + What are the benefits of buying rather than renting?
* Find a house that you would be interested in on the Internet. List the following information in your portfolio:
  + Purchase price
  + Property tax amount
  + Details about the house:
    - Number of rooms
    - Number of bathrooms
    - Amenities: appliances, roof type (shingles), pool, hot tub, siding, well or city water and sewer.
  + Estimate home maintenance cost per month (refer to Estimating Annual Maintenance Costs article)
* What will be your Mortgage payment? (Use a 30 year Fixed Rate Mortgage) Use the Mortgage Calculator located at: <http://www.uwcu.org/Calculators/Calculators/MortgageLoan.aspx?ad=home>
* 1 paragraph identifying the type of insurance that you will need on your House (refer to the article: *What does a standard home insurance policy cover?*). Include:
  + The potential cost of the insurance. Use the article, *What Is the Average Cost for Homeowners Insurance?*, to help you calculate an estimate for the cost of the homeowner’s insurance premiums.
  + The company that you may want to purchase insurance from, along with their logo.

Resources: [www.homefinder.com](http://www.homefinder.com) [www.allstate.com](http://www.allstate.com) [www.amfam.com](http://www.amfam.com)

[www.libertymutual.com](http://www.libertymutual.com) [www.nationwide.com](http://www.nationwide.com) [www.farmers.com](http://www.farmers.com)

[www.geico.com](http://www.geico.com) [www.statefarm.com](http://www.statefarm.com) [www.progressive.com](http://www.progressive.com)

# Budget

* Develop a complete monthly budget using the Budget Template spreadsheet. Make sure that you are using the monthly income or costs. Some figures you may need to calculate by dividing 12 months. Some other monthly expenses have been provided for you below (all must be included in your life portfolio budget):
  + Income = Net salary from your job you chose in part 2 of the Life Portfolio. Make sure that you use the monthly salary (yearly salary divided by 12). You need to deduct 25% from your income to account for taxes that will come out of you income.
  + Expenses. Separate out your fixed, variable, and discretionary expenses on the budget template. Include the following expenses along with any others you think of:
    - Service charge from your financial institution if there is one
    - Automobile loan payment = the loan payment amount you researched in part 4 of the Life Portfolio
    - Automobile insurance = use the monthly amount for you automobile insurance that you researched for your vehicle in part 4 of the Life Portfolio
    - Housing Payment = the mortgage payment amount that you researched in part 5 of the Life Portfolio.
    - Homeowners insurance = Use the estimate you calculated in part 5 of the Life Portfolio.
    - Property taxes. You will need to save to pay your property taxes each year. You need to use the property tax amount that you researched for the house you chose in part 5 of the Life Portfolio. Typically property taxes are listed as an annual amount. You may need to divide that number by 12.
    - $150 for groceries & necessities
    - $100 for Restaurants
    - $150 for gas and oil
    - $75 for clothes
    - $60 for entertainment (movies and such)
    - $50 for your cellphone
    - $100 for Cable and Internet
    - $100 for your electric bill
    - $75 for your water and sewer bill
    - $75 for miscellaneous (music, apps, games)
    - Savings for your 3 SMART goals…you calculated this when you wrote the goals
    - Don’t forget to pay yourself first (10% of your income)